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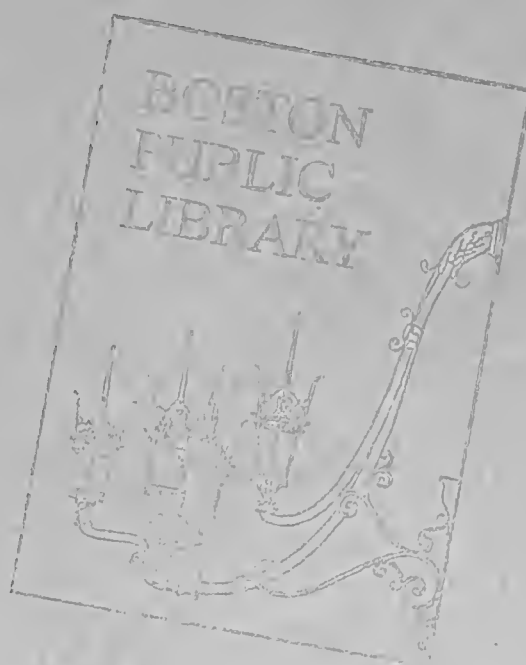
Sept.

BOSTON'S ENTERPRISE ZONE:

AN INNOVATIVE PRIVATE/
PUBLIC PARTNERSHIP TO
REVITALIZE THE CITY'S
NEIGHBORHOODS AND
EMPLOY ITS PEOPLE

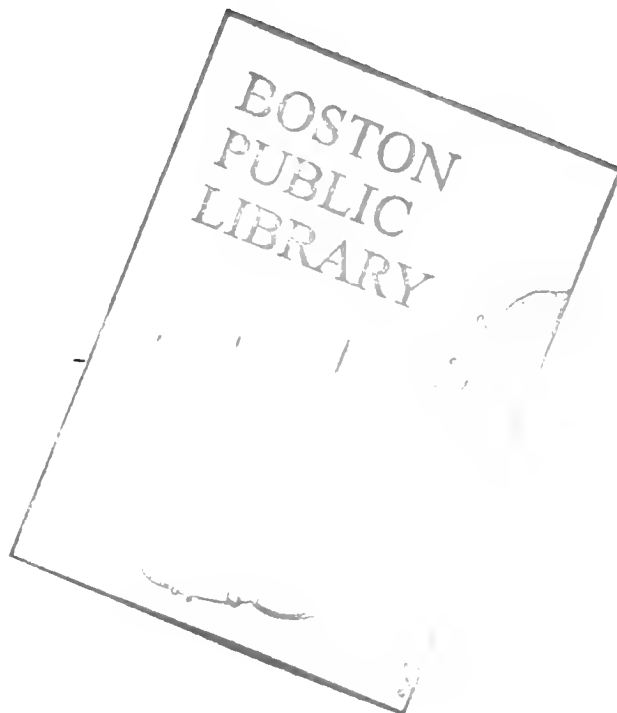
CITY OF BOSTON
KEVIN H. WHITE,
MAYOR

SEPTEMBER
1 9 8 2



BOSTON'S
ENTERPRISE ZONE:

An Innovative Private/Public Partnership
To Revitalize The City's Neighborhoods
And Employ Its People



CITY OF BOSTON
KEVIN H. WHITE,
MAYOR

JULY, 1982



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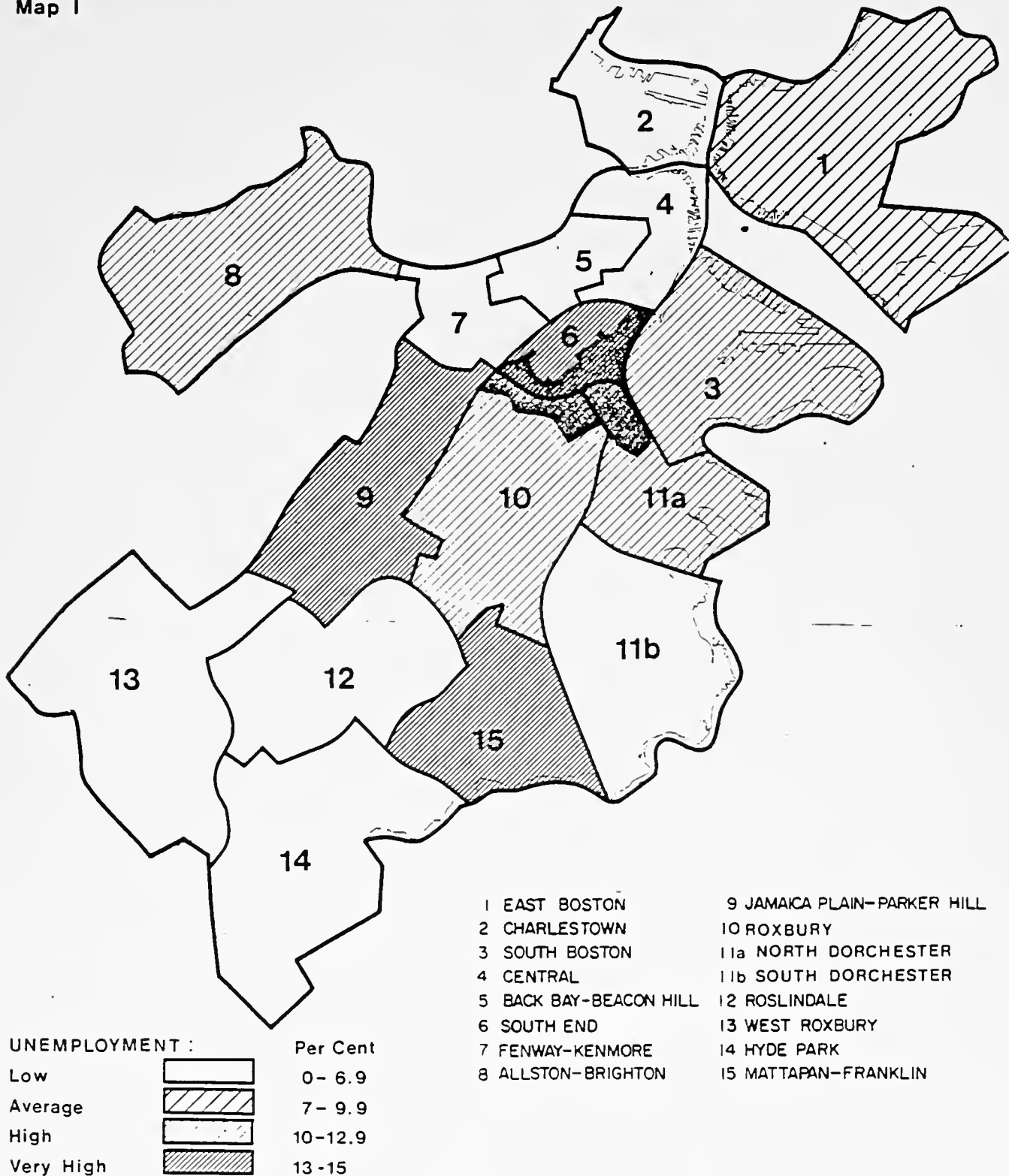
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THE ENTERPRISE ZONE: Its relation to the city's neighborhoods and unemployed *

Map 1



* Estimated April 1982 unemployment rates by neighborhoods

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BOSTON'S ENTERPRISE ZONE PLAN

INTRODUCTION

The Enterprise Zone (EZ) program represents the cornerstone of the Reagan Administration's urban policy. While the details of the various federal and state EZ proposals may vary, a common theme runs through all these proposals -- the need to target scarce public resources to a limited number of distressed neighborhoods in order to stimulate industrial and commercial development and job creation. The Reagan proposal relies heavily on tax incentives and regulatory relief as the stimulus to this development.

While the City applauds this proposal as the focal point for an on-going public dialogue as to how best to assist distressed communities in their efforts to stimulate and attract private investment, we believe that capital availability (particularly for small businesses), provision of public infrastructure, flexible job training funds, and improved public service delivery remain the critical factors to inner-city development. Many of the economic development tools necessary to achieve these objectives are already in place, requiring merely administrative action in support of the EZ concept. Other key programs still require federal, state, or city authorization and/or appropriations.

The designation of an Enterprise Zone in Boston will ultimately generate major private development in one of the city's most impoverished areas and employment opportunities for all the City's residents. Moreover, this designation represents a golden opportunity for a meaningful collaborative effort between the public and private sectors. The development of an effective private/public partnership is critical to the ultimate success of Boston's Enterprise Zone.

This preliminary report represents Boston's initial effort to outline in some detail those factors that have influenced the selection of the South End - Roxbury - North Dorchester section of the city as the potential site for Boston's Enterprise Zone (See Map I). The selection of this site represents the product of a year-long analysis of several factors applied to a number of potential sites throughout the City.

Among the key factors in this selection process were 1) the demographic and geographic characteristics of the site and its surrounding neighborhoods, 2) the development potential of the site, 3) the characteristics of Boston's regional economy, and 4) the specific nature and location of the investment sought. The eligibility criteria included in President Reagan's proposed EZ legislation also significantly affected the City's selection of a target neighborhood.

POVERTY, UNEMPLOYMENT, AND POOR HOUSING IN BOSTON'S ENTERPRISE ZONE

The Boston Enterprise Zone encompasses parts of three neighborhoods - the South End, North Dorchester, and Roxbury. It is a mixed industrial, commercial, and multi-family residential area with a population of 9,268. The population is located almost entirely in the South End (52%) and Roxbury (48%). It is predominantly a low-income area with high unemployment and low rent, poor quality housing. Its residents would undoubtedly benefit from the new jobs, new public improvements, and new housing generated by a successful enterprise zone.

Roxbury and the South End have some of the most severe poverty in Boston. According to a 1980 survey done by the Boston Redevelopment Authority (BRA), 32% and 37% of the families in the South End and Roxbury, respectively, were earning income below the Bureau of Labor Statistics defined poverty level, compared to a city-wide total of 22%. Further, the median family income levels of \$9,650 and \$9,000 were only about 65% of the city-wide average.

Further evidence of poverty is apparent in the quality of the area's housing stock. According to the 1980 Census, 24% of the population in the Enterprise Zone area lives in overcrowded conditions (more than 1.01 persons per room), more than double the 11% city-wide average. Almost 5% of the residents live in units without plumbing facilities, again more than double the city average of 2%. Also, 4.6% of the housing units are vacant, more than double the city-wide percentage of 2.1%.

Educational attainment and unemployment are far worse in this area than in the City as a whole. For instance, 41% and 32% of the adult population of Roxbury and the South End have not completed high school. The adult labor force participation rates of Roxbury (54%) and the South End (56%) were the second and third lowest among Boston's 16 neighborhoods. Even with these low participation rates, these neighborhoods have among the highest unemployment rates in Boston (see Map I). The Roxbury and the South End unemployment rates are approximately 11 and 14 percent, respectively,* compared to the city-wide rate of 8.7%.

One of the major problems facing the residents of the zone (and one that must be addressed by the city if the enterprise zone is to succeed) is crime. According to the 1981 FBI data, Roxbury and the South End have the highest crime rates in Boston, 150.9 and 159.8 per 1000, respectively.

*These projections are based on taking Massachusetts Division of Employment Security monthly figures for the City of Boston for 4/80 and 4/82 - noting the percentage increase - then applying that percentage increase to the Roxbury and South End unemployment figures as computed by the 1980 BRA study for April 1980.

Another measure of deterioration---the percent of properties in tax arrearage---suggests abandonment and disinvestment are a major problem in these neighborhoods. According to a 1980 study done by the City's Office of Fiscal Affairs, while the city-wide average for tax delinquent properties was 14%, the rate for the two Enterprise Zone wards was approximately 50%.

In summary, Boston's Enterprise Zone is an area replete with deteriorated housing, low-income and unemployed residents, and underdeveloped and abandoned land.

THE DEVELOPMENT POTENTIAL OF THE PROPOSED ENTERPRISE ZONE

From both a public and private business perspective, Boston's proposed site is well suited for development as an enterprise zone.

Public Perspectives on Development

A primary advantage of this site is that it would generate both commercial and industrial jobs in close proximity to poor residential neighborhoods. Of Boston's 16 neighborhoods, 4 of them meet the federal government's definition of low-income as of 1979. Three of the four---the South End, Roxbury, and North Dorchester---surround the site. These three neighborhoods all suffer from an unemployment rate of over 10%, as indicated by the shaded areas on Map I. Moreover, the proposed site is readily accessible by mass transit, highways, and major arteries to other concentrations of the unemployed throughout the City. The City will attempt to use its leverage to ensure that a high percentage of the jobs created in this site go to unemployed zone and city residents.

Another advantage of the proposed zone is that much of its land is currently underutilized and publically-owned. Of the 29 parcels of land identified by the City as having development potential, 15 are vacant. This land acts as a blighting influence on the neighborhood, accelerating disinvestment, while generating little or no tax revenue. Enterprise zone incentives can help eliminate this blight and put the land back on the City's tax rolls. Additionally, the City owns 14 of these parcels. As current owner, it may more easily influence the nature and timing of development and who gets the jobs in the enterprise zone. At least 7 additional parcels are in tax arrearage. The City can take title to the land, if the arrearage is not paid, and again exercise greater control over the development process.

Another development advantage is the involvement of community-based organizations in the area's on-going development activities. For instance, the Community Development Corporation of Boston is the developer of a parcel in the Crosstown Industrial Park. A consortium of Community Development Corporations is attempting to develop a major parcel in the Southwest corridor. Finally, the Lower Roxbury Community Corporation has for some time been integrally involved in the development of housing in the zone.

Business Perspectives on Development

In addition to these compelling public reasons for development of the proposed zone, this area also offers many economic and business advantages for private development. A primary advantage is the zone's location. The entire zone is convenient to major highways, rail and mass transit lines, and Logan Airport, all of which are important for shipping and receiving goods and for employee access to jobs in the zone. Furthermore, because of the zone's proximity to downtown Boston, where office space is at a premium, the zone can begin to offer an alternative location for commercial/office space. Firms doing business in the zone, in turn, will have ready access to major services (e.g. legal, accounting, printing, data processing and financial) concentrated in downtown Boston.

Another advantage is that three major tenants, Digital, New England Nuclear, and Teradyne are already doing business in the zone. These tenants act as anchors for additional industrial and commercial development. Two major medical complexes located in the zone, Boston University Medical Center and City Hospital, further anchor development, particularly medically-related development. These tenants also generate substantial local indirect employment through their contracts and purchases and their employee's expenditures.

There are also comparative regional advantages, particularly for high technology firms, associated with doing business in Boston. These are enhanced in the EZ by its three major tenants, its major medical complexes, and its nearness to local academic institutions. The kinds of firms most able to benefit from these advantages include manufacturers of scientific instruments and office machines, high tech services such as computers and data processing, business services such as printing and accounting, and medical services.

The existence of large, vacant parcels of land also adds to the zone's attractiveness for business location and expansion. Developers will not have to absorb extensive site clearance and preparation costs. In addition, the City has already made substantial infrastructure improvements to the area. The recently-completed Crosstown (or Melnea Cass) Boulevard traverses the zone, connecting it with the Southeast Expressway and the Massachusetts Turnpike. Also, the City is planning to or already has resurfaced several major arteries in the area. The elevated Orange Line on Washington Street is scheduled to be torn down in 1985, and relocated to the Western boundary of the enterprise zone. Moreover, current plans call for replacing the service along Washington Street with express bus lanes, or light rail vehicles.

There is a strong potential market for commercial development in the zone, (particularly once the Orange Line is torn down) as evidenced by a 1980 analysis of the Dudley Station area which revealed a strong need for additional food, health and beauty, department, discount, and other stores in this neighborhood. Based on this local need, considerable private investment has already been committed or is currently planned for Dudley Station.

Small firms that serve local markets are highly dependant upon transportation access to all parts of the metropolitan area. Such firms should find the EZ, which is located on key transportation corridors, an excellent place to locate. Small businesses generate approximately two-thirds of all new jobs in the United States. Thus, a successful EZ strategy must focus on nurturing small businesses by facilitating on-site expansion and by assisting small regional firms with building new plants in the zone. In this regard, the city and the state have geared a variety of programs providing finance assistance and infrastructure and service improvements towards the needs of small businesses.

Finally, the existence of two major job training centers within the zone offers a potential link between the personnel needs of zone businesses and the needs of the local workforce. The Opportunities Industrialization Center -- a private, non-profit organization, funded largely by the City (CETA funds) -- provides occupational training and job placement. The Humphrey Resource Center -- operated by the Boston Public Schools--provides vocational education and training to students in 10th, 11th, and 12th grades. Business Advisory Councils currently assist these Centers with the development of courses and curriculum and the placement of students in private employment.

THE DEVELOPMENT POTENTIAL IN DETAIL

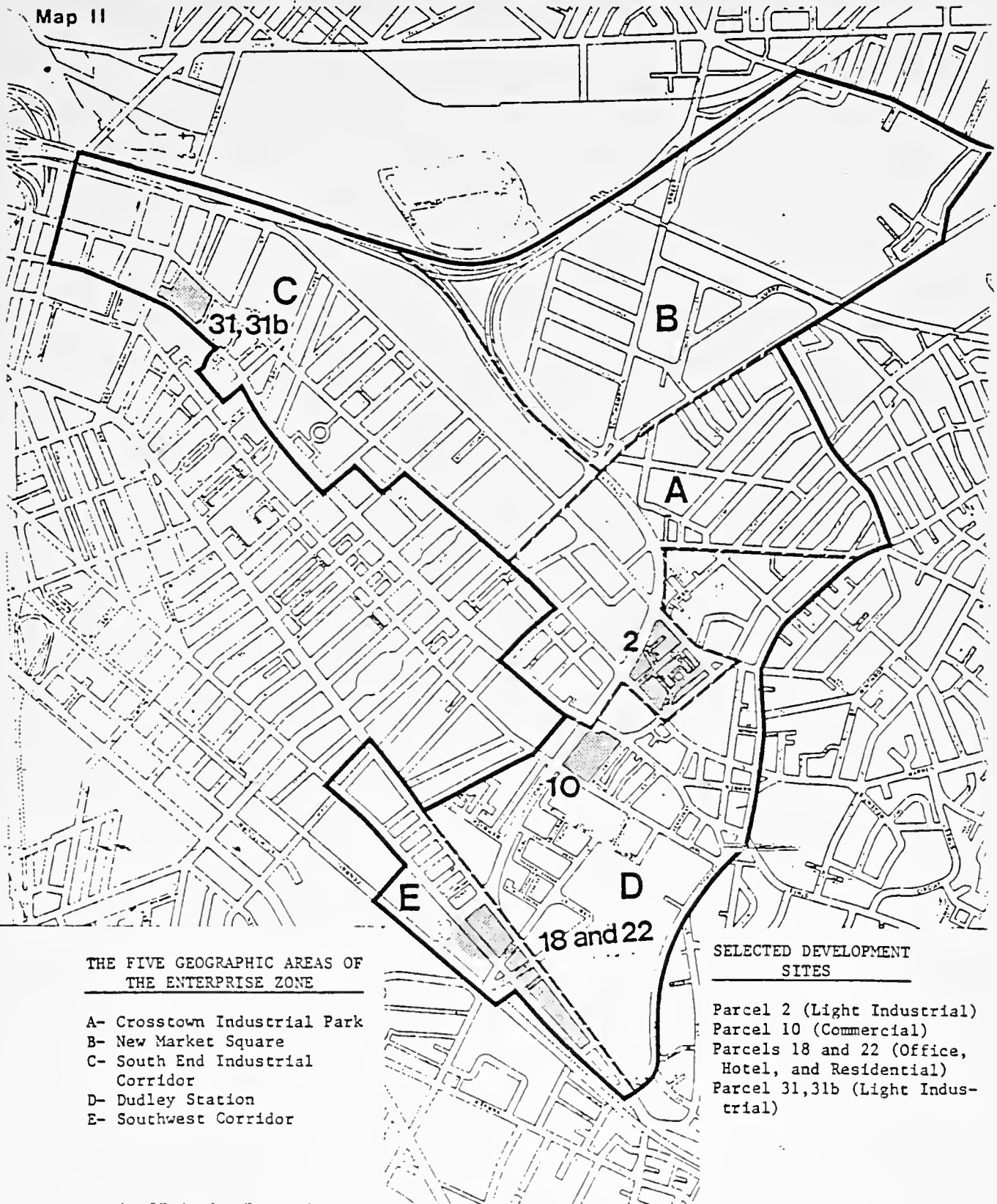
There are 30 parcels in the Enterprise Zone that have potential for development in the foreseeable future. Specific information regarding each of these parcels may be found in Tables I-V, pages 8, 9, 11, 13 and 14. These parcels either currently lie completely vacant or are occupied by vacant or underutilized buildings. If the private sector fully responds and if public incentives are provided where necessary, the development of these parcels could generate impressive economic and human benefits. Specifically, up to 9,400 direct, permanent jobs could be created and \$12 million in property taxes could be generated annually. These benefits would be the product of approximately \$ 260 million of private investment.

Boston's Enterprise Zone can actually be separated into five geographic areas (see Map II, page 6); each with its own distinct set of characteristics and development potential.

—The Crosstown Industrial Park (Area A) is a 40-acre site owned by the City's Economic Development Industrial Corporation (EDIC). The site, which is divided into four parcels of land, borders the newly-built Crosstown Boulevard connecting the Industrial Park with the Southeast Expressway and the Massachusetts Turnpike. Digital Equipment Corporation, a manufacturer of computers, word processors, and other automated office equipment, is the "anchor" tenant with a 62,000 square foot facility employing 300 people. To attract Digital, EDIC used a \$2.9 million industrial revenue bond and leased the land at below market rates. Digital plans a future expansion of approximately 67,000 square feet in Parcel 4. This, in turn, could create roughly 300 additional jobs.

THE ENTERPRISE ZONE: Its Development Areas and Selected Development Sites

Map II



THE FIVE GEOGRAPHIC AREAS OF THE ENTERPRISE ZONE

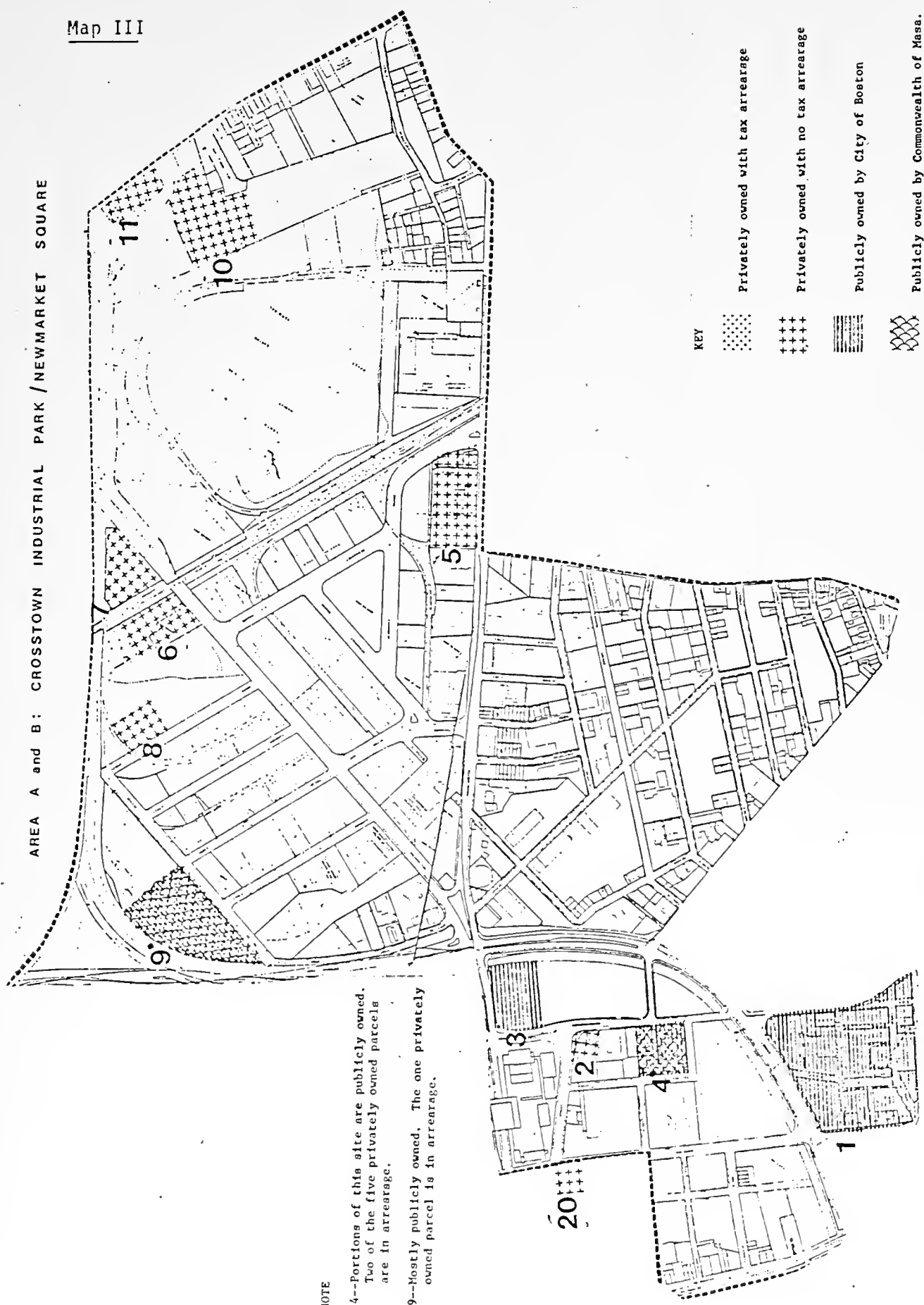
- A- Crosstown Industrial Park
- B- New Market Square
- C- South End Industrial Corridor
- D- Dudley Station
- E- Southwest Corridor

SELECTED DEVELOPMENT SITES

- Parcel 2 (Light Industrial)
- Parcel 10 (Commercial)
- Parcels 18 and 22 (Office, Hotel, and Residential)
- Parcel 31, 31b (Light Industrial)

Map III

AREA A and B: CROSSTOWN INDUSTRIAL PARK / NEWMARKET SQUARE



**NOTE

#4--Portions of this site are publicly owned. Two of the five privately owned parcels are in arrearage.

#9--Mostly publicly owned. The one privately owned parcel is in arrearage.

KEY

- Privately owned with tax arrearage
- Privately owned with no tax arrearage
- Publicly owned by City of Boston
- Publicly owned by Commonwealth of Masa.

Table I - Crosstown Industrial Park (Area A)

9/82										
PROPOSITION NUMBER PAGE A)	PHYSICAL DESCRIPTION	OWNERSHIP	ASSESSED VALUE	PROPERTY TAX STATUS	PRIVATE DEVELOPMENT LIKELY	CURRENT STATUS	TOTAL PRIVATE/PUBLIC INVESTMENT NEEDED	ESTIMATED NO. OF JOBS CREATED	ESTIMATED ADDITIONAL PROPERTY TAX (ANNUAL)	PUBLIC STIMULANTS
Total CIP										
1	Parcel 2 Land covered and blacked 375,000 sq. ft., Green Har- bison Ave. and Albany St.	EDIC, BSA	Not Available	Exempt	Commercial and Industrial, Warehouse	-	\$12,000,000	750	\$450,000	A) Below market rents B) Infrastructure C) Capital assistance D) Payment in lieu of tax increments Site already prepared
2	Parcel 5 4 story new and reno- vated office facility, Northampton and Albany St.	Baltimore Brush, Inc. (EDIC of Boston has option to buy)	Not Available	Exempt	Light Manufacturing	EDIC of Boston has secured title control and contingent from prime tenant.	\$4,500,000	200-300	\$200,000	A) Capital assistance.
3	Parcel 4 vacant land and tennis court 90,000 sq. ft.	EDIC	Not Available	Exempt	Light Manufacturing	for future expansion of Digital Equipment Corporation	\$3,000,000	200-300	\$115,000	None expected
4	Albany Street Site mostly vacant land, 8,105 sq. ft. Albany and Albany St. 101-2028 2010-2031 2042-2060-62	City of Boston Guido Anastagale Strode Mite Company Electric Spec. and Supply Corporation Orature Co.	Land: \$45,800 Bldg: \$70,400 Total: \$116,200 '81 - \$4,175.56 '82 - \$3,030.29 '83 - Tax Lien on land owned by Guido Anastagale	Exempt	Industrial	site will need to be assembled. Privately owned parcels are for sale.	\$800,000	97-68	\$30,000	A) Land assembly

Table II - New Market Square Area (Area B)

9/82

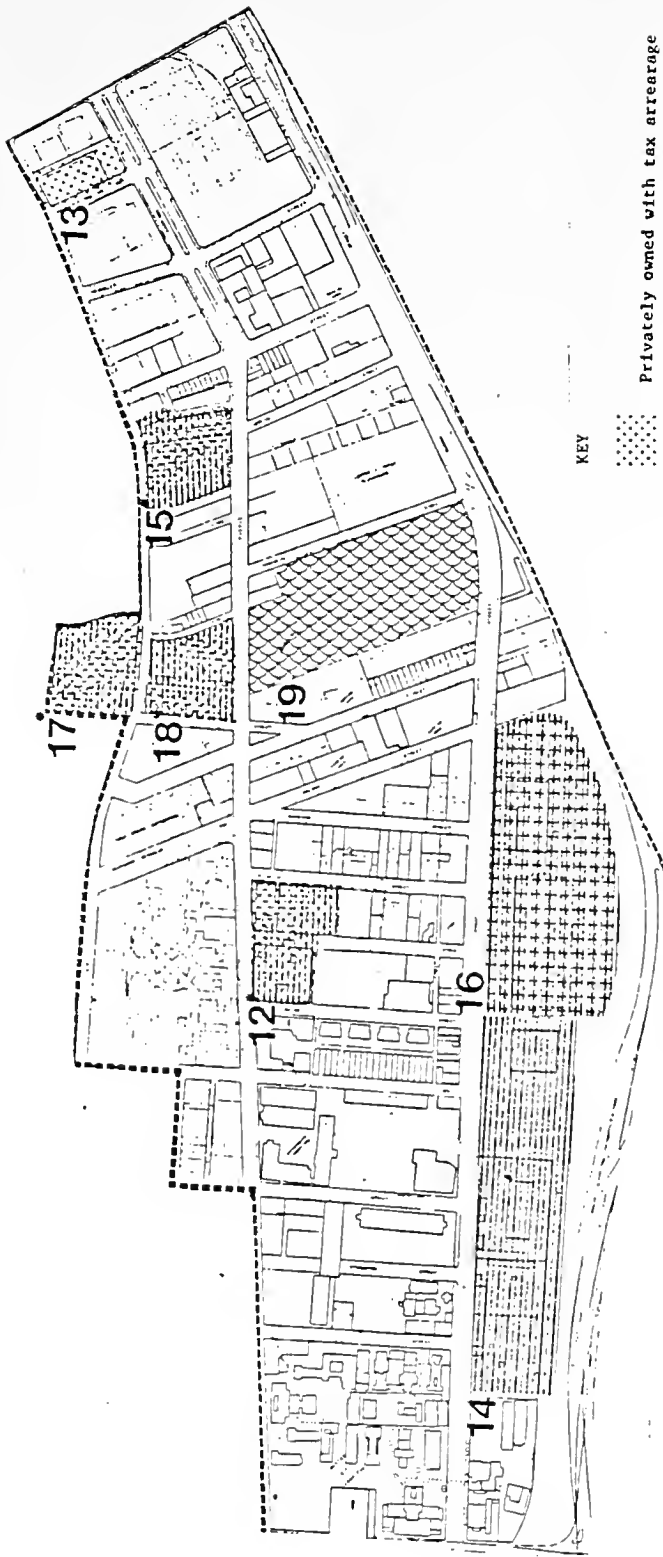
NEW MARKET
SQUARE AREA
(AREA B)

MAP	PROJECT	PHYSICAL DESCRIPTION	OWNERSHIP	ASSESSED VALUE	PROPERTY TAX STATUS	PRIVATE/INDUSTRIAL DEVELOPMENT LIKELY	CURRENT STATUS	TOTAL INVESTMENT NEEDED	ESTIMATED # OF JOBS CREATED	ESTIMATED ADDITIONAL ANNUAL PROPERTY TAX (\$500,000)	PUBLIC STIMULANTS
											A) Infrastructure improvements totaling \$1.5 m. B) Capital assistance
5	Mr. Boston Building (1010 Mass. Ave.) (B)-1023	8 floor building in excellent condition, land - 200,000 sq. ft.	Boston Realty Advisors	Land: \$102,400 Bldg: \$139,700 Total: \$242,100	-None-	Industrial	being prepared for Industrial tenants by new owner	\$2,600,000	280-700	\$100,000	A) Revolving loan fund
6	Mr. Harriet Street (224 Southampton St.) (B)-1025-30	recently renovated 8,300 sq. ft. floor area, land \$7,000 sq. ft.	Frank Passanelli	Land: \$21,000 Bldg: \$18,000 Total: \$39,000	-None-	Industrial	looking for buyer	\$1,500,000	21-60	\$93,000	A) Referral to buyer B) Revolving loan fund
7	Flatley Property (Flatley St.) (B)-1027-1	vacant land adjacent to road, 99,500 sq. ft.	Thomas Flatley	Land: \$31,000	-None-	Industrial	Current owner looking for developer	\$2,000,000	86-166	\$75,000	A) Referral to buyer B) Revolving loan fund
8	Fulton Packing Site (Moore St.) (B)-1026-3	vacant land with rail access - 42,000 sq. ft.	Phillip Porcella	Land: \$25,500	-None-	Industrial	Current owner looking for Industrial buyer	\$1.1 million	37-94	\$40,000	A) Referral to buyer B) Revolving loan fund
9	South Bay Ave. Site (70 South Bay Ave.) (B)-1027-2 and (B)-1027-3	vacant land with rail access - corner of Southeast Expressway and Crosstown Blvd., total of 154,000 sq. ft.	City Commonwealth Mary Dumes	Land: \$19,500 Land: \$81,500 Land: \$6,200 Total: \$107,200	Exempt Exempt 82-51,033	Industrial	City seeking Indus- trial developer, site needs to be assembled	\$4.1 million	150-375	\$155,000	A) Land assembly B) Referral to buyer C) Revolving loan fund
10	Banquer Realty Parcel (W. Howell St.) (B)-3441-1 (B)-3442-1	vacant land next to Howard Johnson Motel, total of 110,497 sq. ft.	Banquer Realty	Land: \$52,400	-None-	Industrial	owner looking for Industrial buyer/developer	\$3 million	100-250	\$115,000	A) Referral to buyer B) Revolving loan fund
11	Boston Street Site (83 Boston St.) (B)-3434	vacant land - corner of S.E. Expressway, 65,600 sq. ft. - 50,000 sq. ft. is developable	Banquer Realty	Land: \$20,000	-None-	Industrial	site preparation needed, owner looking for Indus- trial buyer/developer	\$1.4 million	45-113	\$55,000	A) Referral to buyer B) Site preparation C) Revolving loan fund

* Note - "None" means there are no encumbrances or tax liens on the property

Map IV

AREA C: SOUTH END INDUSTRIAL CORRIDOR



KEY



Privately owned with tax arrearage



Privately owned with no tax arrearage



Publicly owned by City of Boston



Publicly owned by Commonwealth of Mass.

***NOTE

Large portions of these four sites are owned by the City

#12--Seven of the ten privately owned parcels are in arrearage.

#15--One of the five privately owned parcels is in arrearage.

#17--Four of the six privately owned parcels are in arrearage.

#18--Three of the five privately owned parcels are in arrearage.

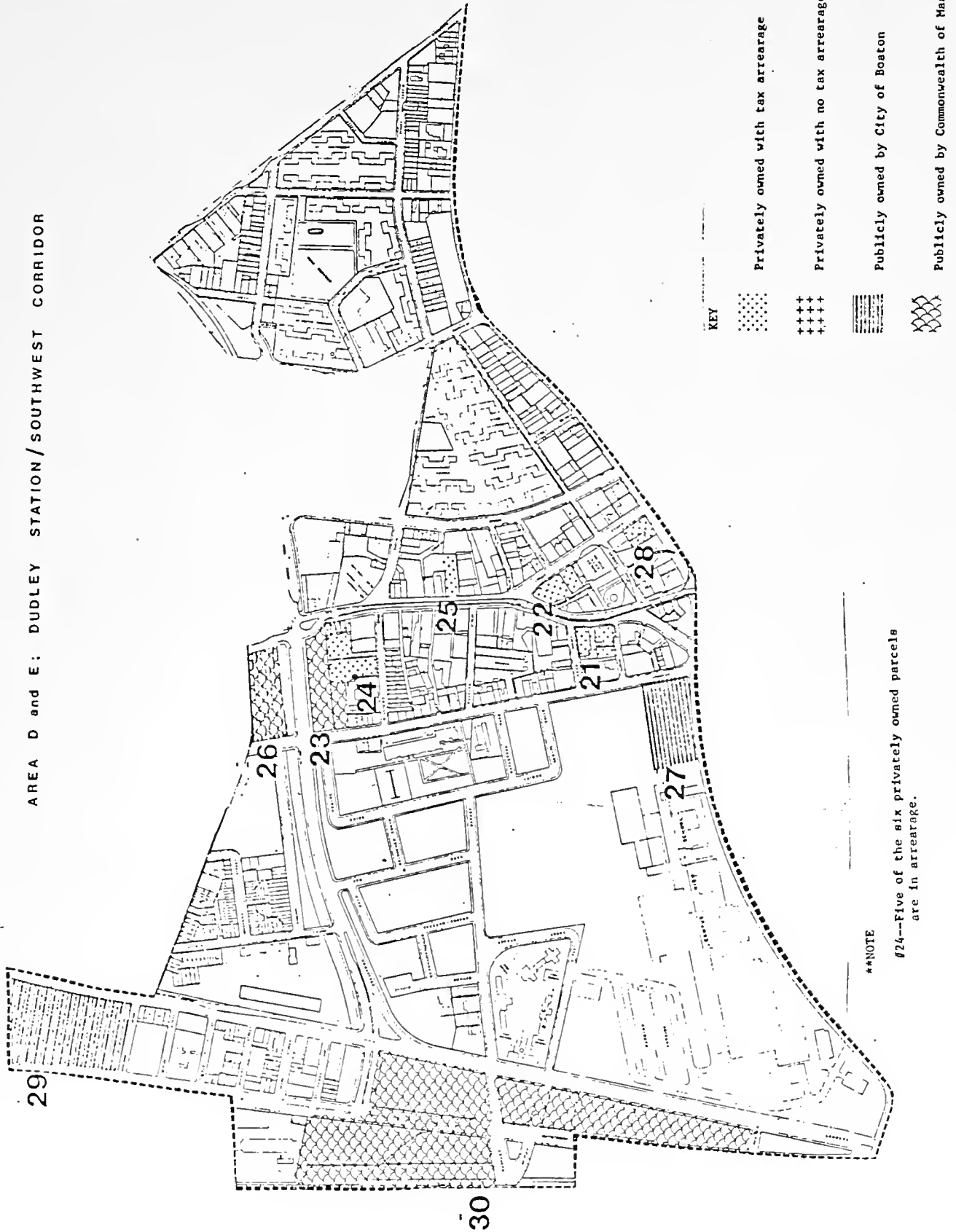
**SOUTH END
INDUSTRIAL**

CD #	PROJECT NAME	PHYSICAL DESCRIPTION	OWNERSHIP	ASSESSOR'S VALUE	PROPERTY TAX STATUS	PAYMENT TYPE	CURRENT STATUS	TOTAL INVESTMENT (\$1000)	ESTIMATED # OF JOBS CREATED	ADDITIONAL PROPERTY TAX (\$1000)
	Total SUEC	-	-	-	-	-	-	\$175,000,000	4600	\$18,580,000
12	Project 1A New England Nuclear Expansion (549 Albany St.) 1201-1204-1155, (B) 1155-1156, 1100-1180, 1189-1	mostly vacant land, 98,082 sq. ft.	Mostly BPA Seven Hundred Harrison Ave., Inc. Lester Mover Alfred Dipaslo	Land: \$91,100 Bldg: \$12,400 \$103,500	"Total-\$60,079.18 has lien on all properties owned by Seven Hundred Harrison Avenue pre-1976 - \$35,814.54 "79 - \$ 6,169.63 "80 - \$12,346.95 "81 - \$ 6,910.65 "82 - \$ 5,275.35	High tech, industrial medical-related, commercial	Currently designated for housing, but will be changed soon. New England Nuclear development should occur within a couple of years	\$12,000,000	100	\$ 450,000
13	Tenaflye Tenaflye Co., Inc. (1000 Main St.) (J)-6327	light industrial building, 272,000 sq. ft.	William Weisberg	Land: \$7,000 Bldg: \$65,000 \$72,000	"82-160,108.40 Electronic test "81-Second warehouse/apartment complex with occupied	Electronic test facility	renovating with portion being occupied	\$ 81,000,000	1800	\$1,000,000
14	South End Technology Square Assoc. (S15K) (81) 1002-1006 (S1)	currently used as parking lot, 280,000 sq. ft.	City of Boston	Land: \$249,200 Bldg: \$25,700 \$275,000	Exempt	3-19,000 sq. ft. mid-rise office building with 250-room hotel	negotiating with buyer	\$ 66,200,000	2000	\$2,500,000
15	31, 31b (45th & Swaney Sts.) (J) 6394-6399 (B) 6401-6416	largely vacant site, parking lot, 350,415 sq. ft.	Mostly BPA Frank Shuman Greater Boston Bank	Land: \$104,400 Bldg: \$72,600 \$177,000	"02- \$ 7,073.4	light industrial and commercial	BBA is looking for developer(s)	\$ 4,000,000	180	\$200,000
16	Boston flower Exchange (BFCE) (540 Albany St.) (B) 1052-1055	currently used as parking lot, land completely vacant, 50,000 sq. ft.	BFA, BFCE Alan Jacobson	Land: \$238,600 Bldg: \$158,000 \$396,600	-None-	Wholesale flowers	BFE, Jacobson's, A BFA negotiating over land	\$2,000,000	50	\$75,000
17	Parcel PB-12 (Washington St. at Waltham St.) (J) 6008-6012 65,250 sq. ft.	mostly vacant land adjacent to residential street,	MFB Motor,BBA	Land: \$104,400 Bldg: \$15,700 \$120,100	"82- \$15,033.14	Residential/commercial	Denser and BBA looking for Buyer	\$1,000,000	3	\$110,000
18	Parcel J2C (Washington St. and Harrison Av. at Waltham St.) (J) 6453-98	mostly vacant land, 4 occupied houses on site, 78,156 sq. ft.	BPA mostly Philip Spaulding Mable Jackson Ruthy Allen Andy Bellamy House on site	Land: \$18,200 Bldg: \$18,200 \$36,400	"82- \$21,568.58*	Mixed Income Housing	Archdiocese of Boston designated to develop housing project under study for housing.	\$5,000,000	5	\$185,000
19	49c, 49d (439 Albany St.)	land currently used for bus storage and maintenance, 257,627 sq. ft.	HQIA	Land: \$254,600 Bldg: \$694,900 \$949,500	-Exempt-	No current or even tentative designation	No immediate change for current use	-	-	-
20	Clifford Building (845 Albany St.) (J)-2062	10,000 sq. ft. bldg., 13,100 sq. ft. land	Omeura Trust	-	-None-	Industrial/warehouse /office	property for sale, possibly to be used as a future development site	\$20,000.00	15-45	\$ 1,000

*reflects 1982 Tax Abatement of 1707.98

Map V

AREA D and E: DUDLEY STATION / SOUTHWEST CORRIDOR



NOTE

Five of the six privately owned parcels are in arrearage.

Table IV - Dudley Station (Area D)

FROM MAP	PROJECT	PHYSICAL DESCRIPTION	OWNERSHIP	ASSESSOR VALUE	PROPERTY TAX STATUS	PRIVATE DEVELOPMENT LIKELY	CURRENT STATUS	TOTAL INVESTMENT NEEDED	ESTIMATED # OF JOBS CREATED	ESTIMATED ANNUAL PROPERTY TAX (ANNUAL)	PUBLIC STIMULANTS
	Total 05										
	21	Washington Street Office Bldg. (2301-2327 Washington St.) 6,000 sq. ft.	Byron Robinson	Land: \$40,000 Bldg: \$72,000	Total - \$11,901 -80- 170,547 -81- 112,463 -82- 116,463 Tax Lien 1980	Professional office bldg.	Project 7/3 completed. Development stopped due to financing problems	\$13,950,000	765,845	\$510,000	A) Infrastructure including tearing down the Orange Line and replacing with new trolley and repairing streets. B) Capital assistance
	22	Ferdinand's vacant, former furniture store deteriorated - 5 story - 20,000 sq. ft. Floor area near (91-3119)	Frank Ferdinand	Land: \$30,000 Bldg: \$17,800	Total - \$15,413 -79 - \$15,028 -79 - \$26,868 -81 - \$12,713 -82 - \$13,471 Tax Lien 1978	Commercial, light industrial, residential	Development will probably occur after the elevated track is torn down in 1985	\$ 800,000	260 (if non-residential)	30,000	A) Capital assistance
	23	Parcel 10 vacant land - cleared and fenced, at major intersection between 2 retail parcels. Intended for commercial development. 70,000 sq. ft.	Mass. OPW City of Boston	Land: \$46,100	Exempt	Commercial and/or retail	City is looking for commercial developer(s)	\$2,300,000	92	185,000	A) Land assembly B) Possibly Capital assistance
	24	Parcel 101 Washington St. (Washington Bldg.) (91-2125-2130) vacant land - 2 vacant building - 46,000 sq. ft. (total of 46,000 sq. ft.)	Charles Wallace, Fred Green, Intercoastal, George Christodoul	Land: \$17,200 2 Bldgs: \$131,500	Total - \$19,720 -79- \$18,011 -78- \$15,454 -79- \$14,494 -80- \$10,204** -81- \$12,982 -82- \$12,361 Tax Lien 1978	Commercial and/or retail	Will either be developed as part of Parcel 10 or for separate commercial/retail use	\$1,150,000	45	\$41,000	A) Land assembly B) Site preparation C) Possibly Capital assistance
	25	Blair's (2740 Wash. St. 12 Palmer St (81-2472) vacant, deteriorated supermarket, 20,000 sq. ft. Floor area	Dudley Realty	Land: \$2,400 Bldg: \$104,000	Total - \$155,299 -77- \$ 261 -78- \$10,098 -79- \$14,817*** -80- \$13,500*** -81- \$13,257 -82- \$26,259 Tax Lien 1977 Land Court 1981	Supermarket	Private developer negotiating with City to purchase land, reopen supermarket	\$300,000	25	\$70,000	A) Parking facilities B) Capital assistance
	26	Parcel 91 (Crosstown Blvd. (Crosstown Bldg.)) (91-1705) vacant land, needs to be cleared and leveled. 27,085 sq. ft.	BPA, Mass OPW	Land: \$ 55,000	Exempt	Industrial	City seeking developer	\$1.5 million	54-132	\$55,000	A) Land assembly B) Site preparation C) Capital assistance
	27	Parcel 22C (1600 Ave. B (138-148 Dudley Bldg. School)) (Parcel numbers not available) vacant land - located near Dudley Park 183,000 sq. ft.	BPA	Not available	Exempt	parking lot, commercial	Greater Robury Development Corp. has been designated for parcel development. U.S. Post Office and Commercial tenants will occupy.	\$5,400,000	100	\$700,000	A) Land assembly B) Site preparation C) Capital assistance
	28	Parcel 101 (138-148 Dudley Bldg. School) (91-3127) 4 story building retail stores first floor, upper stories vacant and boarded up. 35,000 sq. ft. Floor area	Department of Housing and Urban Development (HUD)	Land: \$74,000 Bldg: \$164,000	Total - \$238,000 -82- \$1,150,213 Tax Lien 1982	Ground floor - commercial, upper floors - housing and/or offices	Developer has been designated for parcel development. Current owner (HUD) seeks financing	\$1.2 million	35	\$45,000	A) Capital assistance

* Reflects 1981 Tax Statement of 107,340
** Reflects 1980 Tax Statement of \$ 1,896
*** Reflects 1979 Tax Statement of \$ 8,852
****Reflects 1980 Tax Statement of \$ 8,852

Table V - Southwest Corridor (Area E)

9/82

SPILLWAY
CORRIDOR (SC)
[AREA E]

PROJECT MAP	PHYSICAL DESCRIPTION	OWNERSHIP	ASSESSED VALUE	PROPERTY TAX STATUS	PRIVATE DEVELOPMENT USES	CURRENT STATUS	TOTAL PRIVATE/PUBLIC INVESTMENT NEEDED	ESTIMATED # OF JOBS CREATED	ESTIMATED ADDITIONAL ANNUAL PROPERTY TAX	PUBLIC STIMULANTS
Total SC					Residential/Hotel/Office (Commercial)		\$45,000,000	750	\$1.7 million	A) Infrastructure, including completing existing and new water supply and repairing streets. B) Capital assistance
29	Parcel 18 (Calcasieu and Vermorel Streets) (3)- 1323-1319	BKA	Land: \$311,400	-Exempt-	Possibly housing, but no definite designation	Negotiating over development and development of land				
30	Parcel 18 and 22 (Bayou and Tremont Streets)	MOA	Not Available	-Exempt-	250 unit hotel, 250 retail units, 125,000 sq. ft. retail space, 60,000 sq. ft. office space	Planning committee and CDC's developing proposal	\$45,000,000	750	\$1.7 million	A) Infrastructure improvements B) Capital assistance C) Capital assistance

EDIC is actively marketing the other two parcels, #2 and #5, with Input-Output Computer Services, Inc. being the anticipated tenant for the latter. The Community Development Corporation of Boston is the developer of this \$2.5 million project which is financed by a \$1.5 million EDA grant and a \$1 million private loan. While EDIC is again subsidizing the land cost, the developer will pay for all acquisition and site preparation. This facility is expected to generate 100 to 150 permanent jobs.

EDIC is currently marketing Parcel 2 and has a potential tenant who will use the site for light manufacturing and warehousing (See Appendix I, page 19). In total, the development of Parcels 2, 4 and 5 could generate up to 750 jobs and add roughly \$450,000 to the City's tax rolls. These benefits would require roughly \$12,000,000 of private investment.

—The New Market Square area (Area B) has several vacant, privately-owned parcels and buildings which contain over 500,000 square feet of developable industrial land. It is bounded by the Southeast Expressway, Massachusetts Avenue, and the Crosstown Boulevard. The Midlands Branch of Conrail services the area.

In contrast to other Enterprise Zone areas, the potential of New Market Square lies essentially untapped. The land would be ideal for light industrial firms. The recent purchase of the Mr. Boston Building indicates that the private market has also started to recognize this potential.

An enthusiastic private market response could lead to anywhere from 750 to 2,600 industrial jobs and approximately \$550,000/year in tax revenues, resulting from \$15 million of total investment in land and buildings. In addition, local street and utility improvements are needed, roughly estimated to cost \$3-5 million. Thus, major capital and infrastructure subsidies appear necessary to spur this industrial development, thereby generating the desired community and public benefits.

—The South End Industrial Corridor (Area C) is a mixed-use industrial, retail, and commercial area. It is bounded by Washington Street and the Orange Line elevated tracks to the west, the Southeast Expressway to the east, Crosstown Boulevard to the south, and the Massachusetts Turnpike to the north. The Corridor already has several thriving businesses with plans for future expansion, including New England Nuclear, Teradyne, and the Boston Flower Exchange.

The expansion of New England Nuclear, a manufacturer of radioactive isotopes and pharmaceuticals, would create 300 new jobs and would generate \$12 million in private investment and \$325,000 in new taxes. Teradyne, a manufacturer of electronic test equipment, has embarked on an \$81 million private investment program that would add 1,600 new employees to its payroll. The City is using a \$4.5 million UDAG to leverage this private investment. Also, the Boston Flower Exchange has plans for a 50,000 square foot expansion of its flower wholesaling facility that would create roughly 50 new jobs. In addition, a major office and hotel complex, including three 12-story buildings and a 250-room hotel, is under consideration for an Albany Street Site. The project could generate over 2,000 direct jobs, in addition to many indirect jobs through purchases, contracts, and employee expenditures. It would require approximately \$65 million in private investment. (See Appendix I, page 18, for a description of Parcel 31-31B of the South End Corridor).

—The Dudley Station area (Area D) historically was the retail center of the Roxbury community, but recently has suffered from abandonment of commercial parcels and buildings. Retail activity dropped 13% from 1975-80 with services replacing retail operations. As a result, there is a need for a wide variety of retail firms in this area.

Despite these declines, the area has recently shown signs of commercial reinvestment. Of the 7 major parcels identified by the City as having potential for development, 3 are in the beginning stages of acquisition. One of these acquisitions will provide a much-needed supermarket, another will provide an office building and restaurant, and the third will provide commercial space and housing. Together, these three developments can potentially generate approximately 200 new jobs and over \$100,000 in city revenue annually. These developments will require a total investment of approximately \$2.6 million.

However, for this area to achieve its full potential, major infrastructure improvements and continued financial assistance must be provided. Specifically, the Orange Line Elevated must be torn down and Washington Street rebuilt and resurfaced. Mass transit replacement service and adequate parking are also crucial to the area's commercial viability. In addition, financial subsidies such as the current commercial development loan and rebate program are necessary to compensate for the higher cost (e.g. insurance, security,) and the greater risk of doing business in a distressed neighborhood. Continuation of these financial subsidies is also necessary for the expansion or improvement of the 82 current businesses in the Dudley Station area.

Assuming the necessary public investments are made and the private sector fully responds, the 7 parcels can generate up to 700 jobs and \$500,000 in city revenues. Moreover, this activity will encourage additional investment among current businesses. Together this investment can stabilize the neighborhood and reverse the deterioration of the last several decades. (See Appendix I, page 18, for a detailed description of Parcel 10 of Dudley Station).

—The Southwest Corridor site (Area E) forms the western boundary of the Enterprise Zone and is part of a large vacant corridor that extends almost 5 miles from the South End to Forest Hills. This land was originally cleared for construction of Interstate 95. However, in 1973, the Commonwealth abandoned the project, in favor of both mass transit and a comprehensive program of development for all land not required for transit facilities. A new submerged Orange Line rapid transit project, with nine new stations, will share the right-of-way with rehabilitated commuter rail and Amtrak rail lines. In addition, the old elevated Orange Line tracks will be torn down and replaced by either light rail transportation or by increased bus service.

Parcels 18 and 22, both owned by the MBTA, represent one of the Corridor's most attractive development opportunities, generating much developer and community interest (See Appendix I, pages 18 and 19).

Boston's Enterprise Zone contains a variety of attractive development opportunities that build on the Zone's proximity to major transportation corridors. Although light manufacturing firms, particularly high tech and medically-related, are most appropriate for development in the Zone, a major need for commercial and residential development to serve local markets also exists. The City through tax foreclosure, site acquisition and preparation, and extensive infrastructure construction and rehabilitation has already laid the foundation for this growth. While the City is prepared to respond to the specific needs of individual developers, the parcels discussed in this report are already ripe for development. Private/public collaboration remains the key to unlocking this development potential for the benefit of all the City's residents.

INCENTIVES

The kind of tax and regulatory incentives offered in the Reagan Enterprise Zone proposal do not represent a major factor in investment location decisions. This is particularly true for the small businesses the Boston Enterprise Zone is trying to nurture. Many of these firms do not realize profits until 5-10 years after their initial investment, thus rendering tax incentives largely inappropriate. A 1981 workshop for small businesses interested in Enterprise Zones conducted by the Council for Northeast Economic Action and a recent survey of eight businesses currently located in the Boston Enterprise Zone conducted by the City reinforce this point. The businesses overwhelmingly rated tax and regulatory incentives below the more immediate concern of the availability of capital and the physical needs of operating a business in the inner city. These needs include infrastructure such as roads, water and sewer lines, and parking; public services such as security and trash pick-up; and developable land and skilled labor.

While some of the tax and regulatory provisions of President Reagan's legislation could prove helpful, successful development of Boston's Enterprise Zone depends largely on the availability of capital targeted to this area, state and local management of the physical environment in the area, and, of course, an enthusiastic private sector response. Many of the incentives necessary to respond to these particular development needs are already in place at the federal, state, and local levels. The essence of the Enterprise Zone approach is to package and to target these incentives, in concert with the private sector, to areas where they are most needed. Appendix II contains a list of available incentives designed to address these development needs.

APPENDIX I - SELECTED PROJECTS IN BOSTON'S ENTERPRISE ZONE

Boston's Enterprise Zone is filled with marketable land, potential projects, and on-going development activities. The benefits of enterprise zone status would assist all of these. A few examples of what is happening would be illuminating.

——Parcel 10 (see Map II, page 6 and Map V, page 12, #23) on Crosstown Boulevard in Lower Roxbury is an excellent site for commercial and retail services. It is located within easy walking distance of residential areas of both the South End and Roxbury, which currently lacks essential neighborhood retail services. It is easily accessible by car to the Southeast Expressway and the Massachusetts Turnpike and by mass transit to the rest of the City. Further, it is ripe for development. Forty-five thousand square feet of the 70,000 square feet parcel is already owned by the City, and the rest is owned by the Massachusetts Department of Public Works, which could easily transfer the land to the City. Should more land be required, the adjacent parcel 10x (22,500 square feet), which is mostly vacant, could be obtained either through foreclosure or eminent domain.

The development of this parcel would provide roughly 92 full-time permanent jobs. Further, it would help meet the community's basic need for retail services, particularly a supermarket. The development could also serve as a symbol of the rebirth of the Dudley Station area, ensuring the continued stability of the nearby Madison Park mixed-income housing.

Private construction costs would be about \$2.3 million. City expenditures to acquire the whole site and clear the land should be minor.

——Parcel 31/31b (see Map II, page 6 and Map IV, Page 10, #15) in the South End is also well suited to development. Residents of the adjacent revitalized neighborhood have recently been urging development of this mostly vacant land. The site is primarily owned by the Boston Redevelopment Authority. On the 240,000 square feet parcel are two vacant buildings that with rehabilitation would be appropriate for commercial or light industrial uses. The BRA wants to limit new construction to the remainder of the parcel, which is currently zoned for light industrial. It is within 3/4 of a mile of downtown, close to the Southeast Expressway, and easily accessible to mass transit. Further, a readily available blue collar labor pool is within walking distance.

Before development can take place, certain improvements in the area must be made. Land assembly, including acquisition of the privately-owned portion through eminent domain, needs to be completed. Also, the roads in the area need to be repaved. Besides the elimination of blight, the City will benefit from the creation of an estimated 180+ permanent jobs and the generation of \$200,000 in additional property taxes.

——Community involvement has been the key to the development of the MBTA-owned parcels 18 and 22 (see Map II, page 6 and Map V, page 12, #30) in the Southwest Corridor. A Parcel 18+ Task Force made up of representatives of 4 local CDC's, Northeastern University, and the MBTA is planning a hotel, office and retail space, and residential mixed-income housing for this site. This location, which is only minutes by subway from downtown is well suited for all such uses. For instance, the proximity of Northeastern University and Harvard Medical School and the area need for government services should provide sufficient demand for the 250 unit hotel and 185,000 square feet of office and retail space. (The proposed construction of Roxbury Community College in the Corridor could create additional demand for this space.)

Due to the overcrowded and deteriorated conditions, housing is also badly needed in the community. There are several community proposals for public, mixed-income family and/or elderly housing on Parcel 22. Whichever proposal is adopted, at least 150 units of badly-needed housing will be provided for low and moderate-income families. The project, to be funded by a mixture of MBTA, State, and private dollars, is in the planning stages. Preliminary estimates indicate it will provide up to 800 permanent jobs, and generate \$1.6 million in property tax revenue annually.

——Parcel 2 (see Map II, page 6, and Map III, Page 7, #1) in the Crosstown Industrial Park is vacant industrial land ready for development. The parcel is bounded by the Crosstown Boulevard in the north and east and by the residential neighborhoods of Roxbury on the south and west. Boston's Economic Development Industrial Corporation (EDIC), the owner and manager of the property, has already prepared the site for development, including demolition, relocation, paving of sidewalks and curbs, landscaping, and installation of a chain-link fence. Using these infrastructure improvements, and possibly an Urban Development Action Grant and a payment in lieu of tax agreement as incentives, EDIC has tentatively lined up a tenant who will use the space for light industrial and warehousing purposes. Approximately 200-300 jobs would be created.

——More definite plans for development also exist in the zone. For example, within a few months, Blair's in Dudley Station will be renovated into a new foodstore. New England Nuclear is seriously considering its planned expansion. The success of the row of wholesale florists (known as "The Flower Exchange") on Albany Street in the South End has spurred proposals for the expansion of this facility within the next few months. These investment decisions highlight the viability of doing business in Boston's Enterprise Zone.

APPENDIX II - FEDERAL, STATE, AND LOCAL INCENTIVES

CAPITAL

- Federal: -Urban Development Action Grant (UDAG)--Loan program administered by HUD used to leverage private investment and create jobs.
-Small Business Administration (SBA)--Direct loan and loan guarantee programs.
-Small Business Investment Companies (SBICs) and Minority Enterprise Small Business Investment Companies (MESBICs)--Private corporations that attract venture capital for debt and equity investments in small, innovative businesses.
- State: -Massachusetts Government Land Bank--State loan program for acquisition and development of surplus state and federal property and other blighted land.
-Community Development Finance Corporation (CDFC)--Public corporation that provides debt and equity assistance (in conjunction with local Community Development Corporations) to small businesses unable to secure conventional financing.
-Massachusetts Capital Resource Corporation (MCRC)--Private corporation capitalized by nine insurance companies that provides debt and equity assistance of up to \$5 million for small and medium-sized businesses. Loans are unsecured with maturities of not less than five years.
-Massachusetts Business Development Corporation (MBDC)--Private corporation that provides fixed asset or working capital loans for small and medium-sized businesses. Accepts collateral normally unacceptable to conventional lenders and often participates with a private lender in a financial package.
-Commercial Area Revitalization District (CARD) designation--Firms located in designated areas (Dudley Station) are eligible for revenue bond financing, mortgage insurance for rehabilitation of commercial buildings, off-street parking funds, and the Urban Job Incentive Program tax incentives (described below).
-Urban Job Incentive Program--State tax incentives for industrial and commercial firms locating or expanding in an urban area and employing at least 20% of its employees from certain areas of high unemployment. Incentives lower the local property tax to the state's average and provide an additional state tax deduction of 25% of payroll costs of eligible employees.
- Local: -Industrial Revenue Bonds (IRBs)--Offers below-market financing of up to \$10 million to qualifying firms (\$20 million where used in conjunction with a UDAG).
-Commercial Development Bank and Rebate Program--(Available in Dudley Station)-Offers facade improvement loans at 6% with a \$10,000 maximum and commercial development loans at 2/3 of the prime rate with a \$250,000 maximum. The Capital Investment Rebate program can repay investors 25% of project costs up to \$75,000 per building.
-Boston Local Development Corporation-Non-profit corporation that provides fixed-asset financing for industrial development through two loan programs
- SBA 502 Loan Program-Citywide program of both guaranteed and direct loans. Private lender must provide first mortgage of 60% under direct loan program.

CAPITAL

- Local: - EDA Revolving Loan Fund--Direct loan program that is targeted to
(cont.) EDIC development areas, including Crosstown Industrial Park/New Market. Private lender must provide first mortgage; BLDC provides second mortgage of 30% of project cost or \$150,000 whichever is less.
- 121A Tax Agreements--Payment in lieu of taxes, negotiated for up to 20 years, that is tied to the income of the firm rather than the property value.
 - Neighborhood Development Action Grant (NDAG)--Recently initiated program that will be administered by NDEA to provide financial assistance to projects in distressed neighborhoods.

INFRASTRUCTURE

- Federal: -Economic Development Administration
-Urban Development Action Grants
-Federal Aid Urban Systems--Used for local highway and major arteries. Administered at the State level by the Department of Public Works
-Interstate Transfer Program--Used for construction of new Orange Line and other work on the Southwest Corridor. Administered by Urban Mass Transportation Administration.
-Section 108--Loan guarantee program administered by HUD.
- State: -Chapter 557--Provides funds for sewer projects related to economic development. Administered by the Division of Water Pollution Control and the Executive office of Communities and Development
-Community Development Action Grant (CDAG)--Program administered by the Executive Office of Communities and Development to provide funds for public infrastructure improvements needed to leverage private investment.
--Chapter 805--Provides funds for water system development. Administered by Division of Water Supply.
-Off-street parking funds for CARD designated areas. Administered by the Executive Office of Administration and Finance.
-Three State Aid Highway Programs--Administered by the Executive Office of Transportation and Construction.

LAND

Land availability and assembly is also a key incentive for employer location and expansion. Since a high percentage of the developable land is publically owned, the City can offer land write-downs as incentives. In other cases, the ability of the City to assemble privately-owned land could be crucial to attracting a developer.

LOCAL WORKFORCE

The Opportunities Industrialization Center and the Humphrey Resource Center provide the education and job training to match personnel needs with the local workforce while saving a firm significant training costs. The Bay State Skills Corporation and NDEA (CETA) offer financial assistance to these and other subcontractors to help meet a potential developer's needs.

ADDITIONAL INCENTIVES

The City may experiment with other innovative approaches that could make a difference to potential employers. These could include increasing public services (especially security) in the Zone, a City (and possibly State) procurement preference policy targeted to zone businesses, citizen and employer crime watches, shuttle buses connecting with public transportation, and collaborations with community-based organizations. Finally, the City will work closely with local businesses to acquaint them with the incentives available.

